

Oracle Financial Services Software Limited

Balance sheet as at March 31, 2020

(Amounts in ₹ million)

	March 31, 2020	March 31, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,213.94	2,385.67
Capital work-in-progress	0.16	4.05
Right-of-use asset	622.57	-
Investment property	102.00	102.00
Financial assets		
Investments in subsidiaries	7,681.61	7,650.28
Other non-current financial assets	1,376.59	622.17
Deferred tax assets (net)	740.39	415.67
Income tax assets (net)	7,705.59	7,225.51
Other non-current assets	345.25	661.30
	<b>20,788.10</b>	<b>19,066.65</b>
<b>Current assets</b>		
Financial assets		
Trade receivables	4,154.31	4,866.30
Loan	106.00	-
Cash and cash equivalents	1,993.84	2,713.65
Other bank balances	30,545.37	14,351.10
Other current financial assets	1,656.02	2,237.33
Other current assets	1,424.00	1,218.72
	<b>39,879.54</b>	<b>25,387.10</b>
<b>TOTAL</b>	<b>60,667.64</b>	<b>44,453.75</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	429.40	428.90
Other equity	54,653.61	38,374.84
<b>Total equity</b>	<b>55,083.01</b>	<b>38,803.74</b>
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liability	283.25	-
Other non-current liabilities	-	123.46
Provisions	1,150.97	965.71
	<b>1,434.22</b>	<b>1,089.17</b>
<b>Current liabilities</b>		
Financial liabilities		
Lease liability	269.35	-
Trade payables		
Payable to micro and small enterprises	2.58	3.04
Payable to others	263.00	420.05
Other current financial liabilities	1,577.10	1,855.87
Other current liabilities	1,060.07	1,004.54
Provisions	951.83	889.30
Income tax liabilities (net)	26.48	388.04
	<b>4,150.41</b>	<b>4,560.84</b>
<b>TOTAL</b>	<b>60,667.64</b>	<b>44,453.75</b>

The accompanying notes form an integral part of the financial statements.

Oracle Financial Services Software Limited

Statement of profit and loss for the year ended March 31, 2020

(Amounts in ₹ million, except share data)

	Year ended March 31,	
	2020	2019
Revenue from operations	35,255.08	35,808.97
Finance income	1,508.73	1,173.47
Other income, net	182.86	216.03
<b>Total income</b>	<b>36,946.67</b>	<b>37,198.47</b>
<b>Expenses</b>		
Employee benefit expenses	11,909.23	11,896.09
Travel related expenses	1,593.78	1,741.70
Professional fees	1,311.47	1,366.75
Finance cost	80.18	-
Other operating expenses	1,134.50	1,827.80
Depreciation and amortization	831.72	501.98
<b>Total expenses</b>	<b>16,860.88</b>	<b>17,334.32</b>
<b>Profit before tax</b>	<b>20,085.79</b>	<b>19,864.15</b>
Tax expenses		
Current tax	4,560.70	6,428.91
Deferred tax	(301.47)	610.54
Total tax expenses	4,259.23	7,039.45
<b>Profit for the year</b>	<b>15,826.56</b>	<b>12,824.70</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial (loss) gain on gratuity fund	(92.36)	39.87
Deferred tax	23.25	(13.93)
<i>Items that will be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	35.57	(0.11)
<b>Total other comprehensive income for the year, net of tax</b>	<b>(33.54)</b>	<b>25.83</b>
<b>Total comprehensive income for the year</b>	<b>15,793.02</b>	<b>12,850.53</b>
Earnings per equity share of par value of ₹ 5 (March 31, 2019 ₹ 5) each (in ₹)		
Basic	184.39	149.77
Diluted	183.62	149.01

The accompanying notes form an integral part of the financial statements.

Oracle Financial Services Software Limited

Statement of changes in equity for the year ended March 31, 2020

(a) Year ended March 31, 2020 (Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Other comprehensive income		
									Foreign currency translation reserve	Remeasurement of defined benefit obligation	
<b>Balance as of April 1, 2019</b>	<b>85,779,147</b>	<b>428.90</b>	<b>0.48</b>	<b>15,140.91</b>	<b>10,145.19</b>	<b>1,647.37</b>	<b>41.86</b>	<b>11,389.67</b>	<b>9.36</b>	<b>-</b>	<b>38,803.74</b>
<i>Changes in equity for the year ended March 31, 2020</i>											
Application money received for exercised options	-	-	43.19	-	-	-	-	-	-	-	43.19
Shares issued for exercised options	100,151	0.50	(43.67)	43.17	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	424.65	18.41	-	-	-	443.06
Forfeiture of options	-	-	-	-	-	(28.82)	-	28.82	-	-	-
Stock compensation related to options exercised	-	-	-	316.41	-	(316.41)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	15,826.56	-	-	15,826.56
Actuarial (loss) gain on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	(69.11)	(69.11)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	35.57	-	35.57
Actuarial (loss) gain on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	(69.11)	-	69.11	-
<b>Balance as of March 31, 2020</b>	<b>85,879,298</b>	<b>429.40</b>	<b>-</b>	<b>15,500.49</b>	<b>10,145.19</b>	<b>1,726.79</b>	<b>60.27</b>	<b>27,175.94</b>	<b>44.93</b>	<b>-</b>	<b>55,083.01</b>

(b) Year ended March 31, 2019 (Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Other comprehensive income		
									Foreign currency translation reserve	Remeasurement of defined benefit obligation	
<b>Balance as of April 1, 2018</b>	<b>85,416,893</b>	<b>427.08</b>	<b>1.91</b>	<b>13,663.54</b>	<b>10,145.19</b>	<b>1,899.06</b>	<b>28.91</b>	<b>11,895.87</b>	<b>9.47</b>	<b>-</b>	<b>38,071.03</b>
<i>Changes in equity for the year ended March 31, 2019</i>											
Adjustment on adoption of Ind AS 115 'Revenue from Contracts with Customers'	-	-	-	-	-	-	-	26.26	-	-	26.26
Application money received for exercised options	-	-	749.91	-	-	-	-	-	-	-	749.91
Shares issued for exercised options	362,254	1.82	(751.34)	749.52	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	514.32	12.95	-	-	-	527.27
Forfeiture of options	-	-	-	-	-	(38.16)	-	38.16	-	-	-
Stock compensation related to options exercised	-	-	-	727.85	-	(727.85)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	12,824.70	-	-	12,824.70
Final equity dividend	-	-	-	-	-	-	-	(11,132.87)	-	-	(11,132.87)
Dividend distribution tax	-	-	-	-	-	-	-	(2,288.39)	-	-	(2,288.39)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	25.94	25.94
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(0.11)	-	(0.11)
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	25.94	-	(25.94)	-
<b>Balance as of March 31, 2019</b>	<b>85,779,147</b>	<b>428.90</b>	<b>0.48</b>	<b>15,140.91</b>	<b>10,145.19</b>	<b>1,647.37</b>	<b>41.86</b>	<b>11,389.67</b>	<b>9.36</b>	<b>-</b>	<b>38,803.74</b>

The accompanying notes form an integral part of the financial statements.

# Oracle Financial Services Software Limited

## Notes annexed to and forming part of the financial statements for the year ended March 31, 2020

### Segment information

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related products or services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

The Company is organized by business segment and geographically. For management purposes the Company is primarily organized on a worldwide basis into two business segments:

- a) Product licenses and related activities ('Products') and
- b) IT solutions and consulting services ('Services')

The business segments are the basis on which the Company reports its primary operational information to management. Product licenses and related activities segment deals with various banking software products. The related activities include enhancements, implementation and maintenance activities.

IT solutions and consulting services segment offers services spanning the entire lifecycle of applications used by financial service institutions. The division's portfolio includes Consulting, Application, Support and Technology Services that help institutions improve efficiency, optimize costs, meet risk and compliance mandates and implement IT solutions finely attuned to their business needs.

### Segment revenue and expense:

Revenue is generated through licensing of software products, maintenance fees as well as by providing software solutions to the customers including consulting services. The income and expenses which are not directly attributable to a business segment are shown as unallocable income and expenses.

### Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of trade receivables net of allowances, unbilled revenue, deposits for premises, property, plant and equipment and right-of-use asset. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations, lease liability and other liabilities. While most of such assets and liabilities can be directly attributed to individual segments, the carrying amount of certain assets and liabilities used jointly by two or more segments is allocated to the segment on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocable assets and liabilities.

<b>Year ended March 31, 2020</b>				(Amounts in ₹ million)
<b>Particulars</b>	<b>Products</b>	<b>Services</b>	<b>Total</b>	
Revenue from operations	31,668.22	3,586.86	35,255.08	
Segment result	18,079.34	1,403.85	19,483.19	
Unallocable expenses			(1,088.99)	
Finance income			1,508.73	
Other income, net			182.86	
Profit before tax			20,085.79	
Tax expenses			(4,259.23)	
Profit for the year			15,826.56	

<b>Year ended March 31, 2019</b>				(Amounts in ₹ million)
<b>Particulars</b>	<b>Products</b>	<b>Services</b>	<b>Total</b>	
Revenue from operations	31,886.35	3,922.62	35,808.97	
Segment result	18,423.89	1,347.84	19,771.73	
Unallocable expenses			(1,297.08)	
Finance income			1,173.47	
Other income, net			216.03	
Profit before tax			19,864.15	
Tax expenses			(7,039.45)	
Profit for the year			12,824.70	

### Other information

<b>Year ended March 31, 2020</b>				(Amounts in ₹ million)
<b>Particulars</b>	<b>Products</b>	<b>Services</b>	<b>Unallocable</b>	<b>Total</b>
Capital expenditure by segment				
Property, plant and equipment	309.42	47.81	9.25	366.48
Depreciation and amortization	697.04	103.41	31.27	831.72
Other non cash expenses	42.68	9.30	0.17	52.15
Segment assets	8,298.18	1,722.75	50,646.71	60,667.64
Segment liabilities	4,628.65	719.59	236.39	5,584.63
Equity	-	-	55,083.01	55,083.01

## Oracle Financial Services Software Limited

Notes annexed to and forming part of the financial statements for the year ended March 31, 2020

Year ended March 31, 2019	(Amounts in ₹ million)			
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	613.85	151.33	14.55	779.73
Depreciation and amortization	414.07	70.56	17.35	501.98
Other non cash expenses	194.18	24.14	168.85	387.17
Segment assets	8,889.18	1,783.53	33,781.04	44,453.75
Segment liabilities	4,342.68	582.11	725.22	5,650.01
Equity	-	-	38,803.74	38,803.74

The following table shows the distribution of the Company's sales by geographical market :

Regions	Year ended March 31,			
	2020		2019	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	2,853.92	8%	2,738.05	8%
Outside India				
Americas				
United States of America	7,736.12	22%	8,083.67	23%
Rest of America	1,919.51	5%	1,888.21	5%
Europe	5,892.19	17%	5,624.75	16%
Asia Pacific	8,508.23	24%	8,994.96	25%
Middle East and Africa	8,345.11	24%	8,479.33	23%
	35,255.08	100%	35,808.97	100%

Revenue of ₹ 28,018.43 million (March 31, 2019 ₹ 27,574.41 million) is derived from a single customer in 'Products' and 'Services' segment.

The following table shows the Company's non-current operating assets by geographical market :

Regions	As at		As at	
	March 31, 2020		March 31, 2019	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	10,601.39	96%	10,004.04	96%
Outside India				
Europe	272.79	3%	249.17	3%
Asia Pacific	52.78	0%	104.70	1%
Middle East and Africa	62.55	1%	20.62	0%
	10,989.51	100%	10,378.53	100%

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right-of-use asset, investment property, income tax assets (net) and other non-current assets.

Oracle Financial Services Software Limited

Statement of cash flow for the year ended March 31, 2020

	(Amounts in ₹ million)	
	Year ended March 31,	
	2020	2019
Cash flows from operating activities		
Profit before tax	20,085.79	19,864.15
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	831.72	501.98
Profit on sale of property, plant and equipment, net	(0.23)	(0.69)
Employee stock compensation expense	432.01	488.71
Provision for diminution in value of investment in subsidiary company	-	168.77
Finance income	(1,508.73)	(1,173.47)
Effect of exchange rate changes in cash and cash equivalents	(82.31)	1.78
Unrealized exchange (gain) loss, net	(120.69)	(111.21)
Finance cost	80.18	-
Deferred rent	-	(4.76)
Impairment loss (reversed) on financial assets	(147.86)	(629.89)
Impairment loss recognized on other financial assets	6.90	3.47
Bad debts	193.11	844.82
Operating Profit before Working Capital changes	19,769.89	19,953.66
Movements in working capital		
(Increase) in other non-current financial assets	(809.22)	-
Decrease in other non-current assets	138.10	33.61
Decrease in trade receivables	846.80	1,255.50
Decrease in other current financial assets	748.03	793.99
(Increase) in other current assets	(313.39)	(842.40)
(Decrease) in non-current financial liabilities	-	(31.74)
Increase in non-current provisions	75.95	117.41
(Decrease) in trade payables	(157.83)	(8.05)
(Decrease) in other current financial liabilities	(170.59)	(2,642.01)
Increase in other current liabilities	72.65	89.88
Increase (decrease) in current provisions	58.45	(345.26)
Cash from operating activities	20,258.84	18,374.59
Payment of domestic and foreign taxes	(5,412.15)	(7,847.82)
<b>Net cash provided by operating activities</b>	<b>14,846.69</b>	<b>10,526.77</b>
Cash flows from investing activities		
Purchase of property, plant and equipment	(473.18)	(739.04)
Proceeds from sale of property, plant and equipment	0.23	2.83
Income from investment in sublease	24.99	-
(Placement) refund of deposits for premises and others	(0.26)	19.09
Loan to step-down subsidiary company	(106.00)	-
Investment in subsidiary company	(20.28)	-
Bank fixed deposits having maturity of more than three months matured	17,220.00	22,290.54
Bank fixed deposits having maturity of more than three months booked	(33,095.00)	(19,823.00)
Interest received	1,135.27	996.34
<b>Net cash (used in) provided by investing activities</b>	<b>(15,314.23)</b>	<b>2,746.76</b>
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	43.19	749.91
Equity dividend paid	(36.08)	(11,131.51)
Tax on equity dividend paid	-	(2,288.39)
Interest paid	(80.18)	-
Repayment of lease liability	(261.51)	-
<b>Net cash (used in) financing activities</b>	<b>(334.58)</b>	<b>(12,669.99)</b>
Net (decrease) increase in cash and cash equivalents	(802.12)	603.54
Cash and cash equivalents at beginning of the year	2,713.65	2,111.89
Effect of exchange rate changes in cash and cash equivalents	82.31	(1.78)
<b>Cash and cash equivalents at end of the year</b>	<b>1,993.84</b>	<b>2,713.65</b>

Oracle Financial Services Software Limited

Statement of cash flow for the year ended March 31, 2020 (continued)

(Amounts in ₹ million)

**Year ended March 31,**

	<b>2020</b>	<b>2019</b>
<b>Component of cash and cash equivalents</b>		
Balances with banks:		
In current accounts	1,693.25	910.88
In deposit accounts with original maturity of less than three months	220.04	1,686.14
In unclaimed dividend account*	80.55	116.63
<b>Total cash and cash equivalents at the end of the year</b>	<b>1,993.84</b>	<b>2,713.65</b>

\* These balances will be utilized only towards the respective unpaid dividend.